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TAGS: PREL ECON KCOR I2

SUBJECT: FORMER EXILE IRAQI BUSINESSMAN DESCRIBES
CHALLENGES OF DOING BUSINESS IN BAGHDAD AND PRAISES RECENT
EMBASSY PUBLIC AFFAIRS EFFORTS

Classified By: POLITICAL COUNSELOR ROBERT S. FORD, FOR REASONS 1.4 (B)
AND (D).

¶1. (C) Summary. Former exile Iraqi businessman Muhammed Eshaiker, cousin to Prime Minister Ibrahim Jafari, described the challenges of doing business in Baghdad: when and whether to pay bribes, the difficulty of finding qualified, energetic professional workers, and keeping up with the political gossip. Eshaiker praised recent Embassy public affairs efforts to convey USG views to the Iraqi people via television, and encouraged U.S. officials to maximize visibility on Iraqi television talking to the Iraqi people. End summary.

¶2. (U) Muhammed al-Eshaiker, cousin to Prime Minister Ibrahim Jafari al-Eshaiker, gave Poloffs a slice of life in Baghdad business circles. Eshaiker was a prominent leader of the Shia-American community in Southern California before the liberation, and was a leader of the Iraqi Forum for Democracy, a grass-roots Iraqi-American advocacy organization. After the liberation, he worked briefly for a contractor, but then opted to go into the construction business in Baghdad. His firm has won subcontracts from USG and Iraqi firms.

BRIBERY AS A FACT OF LIFE FOR MOST IRAQIS

¶3. (C) Eshaiker recently moved back into his family's house in central Baghdad after having lived since the liberation in a rented house elsewhere in the city. He said that his family home had been lived-in for more than 10 years by someone associated with Saddam's security services, who demanded payment from Eshaiker to leave the house in which he was illegally squatting. The courts were not a feasible option, Eshaiker said, because bribes are routinely required in property dispute cases. In addition to the cost of bribing the judge, the police would not evict a squatter without being paid further bribes, so it was simpler and no more expensive to pay the squatter 5,000 USD to leave, which he did. Eshaiker did not receive any rent on the property from his squatter. He described his experience as typical, in that local businessmen cannot rely on the courts to settle property and contract claims fairly or promptly.

GOOD HELP IS HARD TO FIND

¶4. (C) Despite high unemployment in the country as a whole, Iraqi businesses like his face real problems in getting good help to work for them, Eshaiker says. He recently needed three engineers to work on a contract, and offered 1,000 USD a month -- a generous salary by Iraqi standards. However,

the applicant pool was either (a) young, with computer skills, but lacking in professional experience, or (b) older, lacking computer skills, lacking in a solid work ethic, and "self-defeated" by growing up during wars and uprisings under Saddam Hussein. He particularly criticized Iraqis in the 38-42 year-old age range (i.e., born 1964-1968) as having "lost interest in their lives." He was impressed with the younger generation of Iraqis, who grew up in an Iraq without personal computers but had caught up quickly in the use of technology since the liberation. He said he has no trouble hiring young Iraqis who are self-taught in Microsoft Word, Excel and PowerPoint, essential tools in a professional engineering firm like his.

¶ 15. (C) Since his cousin PM Jafari's selection as the nominee of the United Iraqi Coalition (UIC), Eshaiker says he has been receiving numerous requests from potential job-seekers wanting jobs in the government. He has been disappointed that many of these people do not have the requisite skills or expertise that the Iraqi government needs, and most are not willing to work hard. This culture of job-seekers in Iraq needs to change, he said.

EMBASSY PUBLIC AFFAIRS SUCCESS STORY

¶ 16. (SBU) Eshaiker praised recent Embassy public affairs efforts in which Americans talk directly to the Iraqi people. He described a recent television interview in which an Arabic-speaking Embassy official was asked why the United States was talking to the insurgents. The official explained cogently that the United States talks to everyone in Iraq, and when the interviewer asked if the United States was

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trying to bring back the Ba'th party, the official made a forceful presentation that the Ba'th were never coming back. This kind of outreach and clarity is effective with the Iraqi people, Eshaiker said, because they will believe messages from American officials directly. It does not matter as much if American officials do not speak Arabic -- voiceover translation is effective, he said -- but American officials need to be more visible on Iraqi television talking to the Iraqi people.

IRAQI POLITICS AS THE PEOPLE SEE IT

¶ 17. (C) The Iraqi people, Eshaiker said, now want a strong government even more than they want a democratic government. Chaos and corruption were increasing, he said. Electricity, fuel and jobs top the list of Iraqis' needs, though the water supply is doing better. Iraqi politics has become very difficult, he said, and he did not regret going into business rather than going into politics in Iraq after the liberation.

¶ 18. (C) Eshaiker, who is Shia, said that one of the most decisive events in the electoral campaign was the apparently inadvertent appearance on Al-Jazeera of a Palestinian critic of the Shia, who had appeared along with an Iraqi Shia. The Palestinian said the Shia were backwards, and criticized Grand Ayatollah 'Ali al-Sistani. This had caused the Shia participant to become outraged on the air, and this, in turn, outraged the people. Riots ensued. "It was as if people were saying, 'You insult our Sistani, so we are going to vote for 555.'"

¶ 19. (C) Another pivotal campaign event in Eshaiker's view was an interview given by Ammar al-Hakim, son of 'Abd al-'Aziz al-Hakim of the Supreme Council for the Islamic Revolution in Iraq (SCIRI) in which he used rhetorical devices such as saying that because Grand Ayatollah 'Ali al-Sistani had endorsed the United Iraqi Coalition (UIC) when they were listed number 169 in the January campaign, this meant he endorsed

the UIC when they were listed 555 in the December campaign. Eshaiker said that people believed this false claim because there was nobody effectively countering Hakim's message.

HIGH SCHOOL MEMORIES

¶10. (C) Eshaiker, a graduate of Baghdad College, a Jesuit-run high school famous for many other illustrious alumni, including former Prime Minister Ayad Allawi, Deputy Prime Minister Ahmad Chalabi, and Vice President Adil Abd al-Mahdi, offered up stories about a classmate: Mithal al-Aloosi, elected in December to the Council of Representatives from Baghdad. Aloosi, who was for a time the head of the Supreme De-Ba'thification Commission, was at one time a Ba'thist himself, Eshaiker said. Eshaiker claimed that when the Jesuit fathers were kicked out of Baghdad college after the Ba'thists took power in 1968, Aloosi's father was put in charge of the high school. Eshaiker said that Mithal al-Aloosi started a chapter of the Ba'th party in the school, visibly carried a gun, and threw his father's political weight around. In the 1969 student body election, a number of "parties" ran for student government positions. Lists of candidates were posted on a wall in the school. Eshaiker said that Aloosi and his party tore down all the other party lists, then claimed that only one party was running -- his -- and therefore claimed victory in the election. Eshaiker said he was not, therefore, surprised at the non-transparent way in which Aloosi handled the work of the De-Ba'thification Commission.

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